

## NSA Declassification/Release Instructions on File

17 June 1954

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Memorandum For: Assistant Director, ORR, CIA

Thru : Chief, [REDACTED]

From : Chief, [REDACTED]

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Statement of the Problem: During recent months, except for a simultaneous increase in functions and authorized positions via the absorption of the Military Plain Language Branch, [REDACTED] authorized strength has been substantially reduced. The purpose of this memorandum is to present information about [REDACTED] which will assist CIA in determining what action, if any, should be taken to compensate for these cuts. Such action would presumably be under the provisions of the so called [REDACTED] agreement.

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### Exclusions and Limitations:

1. This memorandum will not discuss the effects of the personnel cuts on [REDACTED] operations. This subject will be covered by a separate memorandum which is to be requested officially by CIA and which will constitute an official NSA reply.

2. This memorandum represents only the views and opinions of the writer wearing his CIA hat. It has not been coordinated with NSA and does not necessarily represent NSA's point of view.

3. Aside from certain suggestions to be offered in the discussion, this memorandum will contain no formal recommendations. It is intended as an information rather than as an action paper.

### Facts Bearing on the Problem:

1. As of 1 January 1954, the on board strength of [REDACTED] was about 470 people; an authorized strength figure was not available. The 470 people were organized into 3 branches and 4 staff groups, the former including the Task I Plain Language Branch [REDACTED] and the newly constituted [REDACTED]. The mission of these 3 branches is well known to CIA and will not be discussed here.

2. On 3 February 1954, we were advised that the new personnel authorization for [REDACTED] would be 422 positions.

3. We were further advised on 19 April 1954 that our authorized strength had been reduced to 367, including 116 military positions. We were given to understand, verbally, that the cut was made on the assumption that CIA would supply people to fill or help fill the gap.

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4. Soon thereafter the undersigned verbally requested PROD, through the Chief, Office of Analysis, to advise us on when and in what manner PROD wished us to take the cut. The Chief, Office of Analysis, later replied that the Deputy Director, Production, had refused to set a time limit or to determine in what manner the cuts should be taken, remarking that he did not feel it desirable or proper to restrict a division chief's freedom of action in these respects.

5. Division policy has been (1) to select certain individuals whose contributions were marginal and to seek their reassignment, on the ground that carefully chosen losses are better than indiscriminate losses through attrition (2) to allow attrition to take care of the rest of the required reduction (no RIFing is contemplated or permitted) (3) to retrain individuals whose work has been in the lower priority areas so that they can be reassigned as attrition occurs in the higher priority areas (4) to continue accepting new arrivals at a greatly reduced level and on a highly selective basis, in order to maintain a proper balance of skills and to feed in the exceptionally well qualified individuals whom we need to help compensate for the loss of numbers.

6. On 24 May 1954, [REDACTED] took over the Military Plain Language Branch, [REDACTED] When the administrative transfer is effected, our authorized strength will be 406 (367 + 39). Our present on board strength, including 41 people from [REDACTED] is about 480. I expect that when the combined organization has shaken down, we will be able to do the work formerly done by NSA 943 with fewer than the 41 people who came over with the problem. The result will be some amelioration in our personnel problem or better military plain language output with the same number of people.

7. We have had no advice on and have heard no rumors about any further cuts, or about possible transfers of some of our personnel to other Divisions and Offices.

8. I understand that the Director, NSA, has asked the Secretary of Defense for an additional personnel allotment for PROD. If this request is approved, it is entirely possible that the cuts in [REDACTED] authorization will be restored.

Discussion:

A. Organizational Matters: After the undersigned had become reasonably familiar with [REDACTED] and its operations, it became clear that the organization of the Division was not well suited to the efficient discharge of its mission. Certain changes have been made, as follows:

1. Prior to October 1953, the processing of information [REDACTED] between two Divisions (our own in [REDACTED] and one in NSA [REDACTED] between two branches. Suffice it to say, without going into detail, that overlap, confusion and lack of coordination were conspicuous by their presence. As the result of a study conducted by PROD and the two divisions concerned, all processing of information on [REDACTED] was concentrated in a new branch of [REDACTED] now bearing the number [REDACTED] This branch does traffic analysis as well as exploitation of text, and handles

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competent or poor people than an ORR division. In part, at least, this difference is explained by a different in grade structure - [REDACTED] median authorized grade is much lower, its top grades lower and fewer in number, and its very low grades (GS 3 - GS 5) far greater in number. The difference is also explained by strange and peculiar personnel policies, (in part dictated I suppose by schedule A requirements and the Classification Act) and by other personnel difficulties, as follows:

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1. There is apparently a practice, amounting almost to a policy, of "hiring as cheaply as possible". The result: An inflow consisting largely of persons rated GS-5 and below. Many of the GS-5s are female college graduates, some of whom marry soon after their arrival and put completely to waste the expensive process of recruiting and clearing them. Those who remain, however, often turn into very competent junior analysts, and eventually quite able senior personnel.

2. It is almost impossible, by contrast, to hire more experienced and hence more highly graded personnel. In order to earn a GS-11, a member of [REDACTED] must be the head of a unit. How can we possibly hire a GS-11 and immediately put him, without experience, in such a position?

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3. We have no control over the quality of our military personnel, who are requested "as bodies" by MOS or other identifying specialty number.

4. The practice of circulating PES's to the Division Chief is not followed. People are hired by the Personnel Division, and we first see them when they come in the door. We can refuse any who are sent to us, but, the important point is that we exercise little positive influence on the initial selections. We are not precluded, of course, from finding people on our own and asking that they be hired; we sometimes do so. There is no guarantee, however, that the person so hired will be held for [REDACTED] and the opportunities for doing this sort of thing are limited.

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5. Because of the requirement that higher graded personnel (GS-11 and up) must be supervisors, we are limited in the amount of promoting we can do from within, however deserving an individual may be, because of the limited number of supervisory positions.

6. Approximately 30% of our present personnel authorization consists of military positions. When we took our cuts, they were all in civilian positions. Since military personnel are here for only a limited tour, it is difficult to develop the continuity which our operation requires.

7. Linguistic competence or linguistic aptitude plays a great part in determining eligibility for hiring. These qualities are of course important. More important, however, are intelligence, quickness of mind, an aptitude for intelligence work, and a substantive knowledge of some field related to our processing. We would be better off to hire people with these qualities and worry about the language later, for the latter is after all a tool and not as fundamental as the other characteristics.

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8. As a result of many of the factors discussed above, [REDACTED] has a high personnel turnover rate, amounting, in [REDACTED] to some 40% per year in 1952-53.

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I am convinced that if these personnel practices and their attendant consequences could be changed, and particularly if we could hire better personnel and make it attractive for them to stay, we could lose up to fifty people without any effect on our product. Specifically, if I had a free hand, I would reduce or eliminate our military billets, hire good people at higher grades because they are good and not because they can supervise immediately, increase the average grade level in the division, hire fewer women, make intent to pursue a career a criterion for hiring, and put more emphasis on substantive as against linguistic know how.

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C. Relations with CIA: Under the so-called [REDACTED] agreement, it was contemplated that CIA would send personnel to [REDACTED] for the general purpose of augmenting [REDACTED] effort but more specifically for the benefit of CIA/ORR acting for the intelligence community. When I first arrived here, I spent something over three weeks studying the operation of [REDACTED] for the purpose of developing recommendations for the implementation of the agreement. Briefly, I recommended that (1) some individuals be sent here to "exploit" back traffic on a project basis, in such a way that the product of their efforts would be related to and useful for an intelligence paper or papers in the ORR program. People sent over on this basis would work cooperatively with NSA under conditions to be agreed upon in advance, but would not be under the operational control of NSA. This type of operation, in short, was a challenge to and a test of the warmth and closeness of the new relationship since the question of who was to be boss, which had bedeviled past relationships, was completely bypassed. The new concept was that the "job was the thing", and that intelligent and properly motivated people, who together could see a problem and the manner of its solution, would be able to work together toward a common goal; (2) other individuals be sent here to "augment" the panels, on the same basis as a person who had been hired, cleared and trained by NSA. These persons were to be under the operational control of the panel supervisors and their work to be directed by these supervisors. Although a "permissible bias" would probably slant their efforts in the direction of CIA/ORR's interests, they would basically be a generalized resource to be used at the discretion of [REDACTED]. These recommendations were first submitted to the authorities here, including the Chief, Office of Analysis and the Assistant Deputy Director, Production, and were accepted. They were subsequently presented to CIA/ORR and also accepted.

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With respect to the "exploiters", it was my attitude that they were here for the benefit of CIA, and not of NSA. Hence, in my role as Chief, [REDACTED] I felt that the nature and extent of the exploitation effort had to be determined by CIA. For my part, I was to gear [REDACTED] thinking and its method of operation to suit, provide the necessary facilities, provide access to traffic, insure cooperation and possibly contributions by [REDACTED] and in general exercise staff supervision over the activity.

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With respect to augmentation, my role was and is somewhat different. As Chief, [REDACTED] I have a responsibility for carrying out the mission of [REDACTED]

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as an NSA Division, and I am under the operational control of NSA. In order to carry out this mission, I need a certain number of people of a certain level of quality. As NSA has cut the Division's personnel strength, on the assumption that CIA help would be provided, it has been my responsibility to try to secure replacements from CIA, or, alternatively, to make clear to CIA that output would suffer, largely in areas of unique interest to CIA. On the other side, as a CIA man, it has been my desire and my obligation, to operate in such a way as to maximize its contribution to CIA. I have therefore been vitally interested in maintaining the number of people required to do a good job and vitally and directly interested in the progress of the program for augmentation.

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How have these arrangements operated? We were given a copy of a memorandum dated 16 February 1954 from [redacted] to the Deputy Chief, [redacted] with an attachment entitled "Proposed CH/E exploitation in [redacted] attachment showed, by Division and Branch, by desks required and by subject, the number of analysts to be sent here for "exploitation". In total, there were to be 38 part time people occupying 19 desks. This program has never been fully implemented - some of the people who were supposed to come have never done so e.g. [redacted]

[redacted] A 6 March "Tentative Country Swing" schedule listed only 18 people, some of whom have still to participate in a project. A similar schedule dated 11 June 1954 lists only six people, although there are to my knowledge others, such as [redacted] who will work with us, but for sound reasons not go on swing.

Less than half a dozen persons have been sent to [redacted] as augmenters. These individuals have been working with CIA's special interests in mind, but have nonetheless made significant and very welcome contributions to NSA [redacted] normal processing effort.

Theoretically at least, augmentors should be in a position to apply intelligence techniques to the raw traffic at NSA, and by so doing to eliminate a step in the flow of COMINT from intercept station to final intelligence product. That is, with NSA and CIA completely separated, a researcher here will look at a piece of traffic, and put it out as a translation or in a report. A CIA analyst will again look at the same piece of traffic, now in English and use it in one of his own reports. Could not something be done to reduce this "double looking" and double processing? I think so, the extent of the possibility depending on the extent to which CIA is or is not an executive agent. The question of executive agency will be discussed below.

In general, I must confess to a feeling that activity here, either on a basis of exploitation or augmentation, is not considered a choice assignment by most ORR personnel and is considered a marginal effort by most ORR supervisors. Whenever there is strong project pressure "back home" or personnel losses "back home", a supervisor's thoughts almost inevitably stray to [redacted] and the people he has here. Except for the "augmentators", I have, in principle, no strong objections to this tendency. I would point to its implications for CIA however: That a closer bond with [redacted] and closer control over [redacted] once

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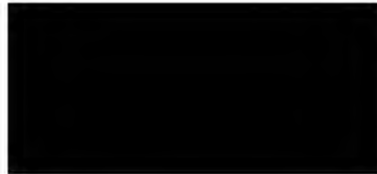
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concept of what the [REDACTED] agreement permits CIA to do, and what it does not permit CIA to do, for possible correction by competent CIA authority if I have misread the situation. It is interesting, in this connection, that at least one highly placed individual at NSA considers that CIA is an executive agent in a stronger sense than my own terms of reference or the Becker-Canine agreement seem to allow; (2) to suggest the possibility that the maximum economies of vertical integration, as briefly discussed in the last section in connection with augmentation, can be realized only if CIA becomes an executive agent in a stronger sense.



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